

Appeal No. VA90/1/008

AN BINSE LUACHÁLA
VALUATION TRIBUNAL
AN tACHT LUACHÁLA, 1988
VALUATION ACT, 1988

Thomas Martin

APPELLANT

and

Commissioner of Valuation

RESPONDENT

RE: Garage and Yard at Lot On 30 Lisagoan, Corlea, Co. Cavan
Quantum - Basic construction, single phase electricity

B E F O R E

Henry Abbott

Barrister Chairman

Brian O'Farrell

Valuer

Veronica Gates

Barrister

JUDGMENT OF THE VALUATION TRIBUNAL
ISSUED ON THE 22ND DAY OF JANUARY, 1991

By notice of appeal dated the 26th of April, 1990, the appellant appealed against the determination of the Commissioner of Valuation fixing a rateable valuation of £18.00 on the above described hereditament.

The grounds of appeal as set out on the Notices of appeal are that "these premises are located on a byroad in a backward location removed from all built up areas. It is basically a hayshed type of building constructed mainly of galvanised iron roof and sides with very little blockwork. Some of it is used for domestic purposes - the commercial portion is not used very intensively. The yard is used for storage. The proposed valuation of £18.00 is too high in all the circumstances."

VALUATION HISTORY:

The subject property was first valued in 1978 as lot On 30 - "workshop" R.V. £8.00. It was listed for revision by the Local Authority in 1989, the instruction was "valuation inadequate". On revision the valuation was increased to £20.00 and on first appeal reduced to £18.00. It is against this valuation that the appeal lies to the tribunal.

WRITTEN SUBMISSION:

A written submission was received from Mr Patrick McMorrow, B.Agr.Sc, a valuer in the Valuation Office on behalf of the respondent on the 25th July, 1990. Mr McMorrow said that the premises consist of a portal framed corrugated iron and part concrete walled workshop, store and office with concrete yard to the front and hardcore yards to the side and rear. He said that it is used primarily for sales and repair of agricultural machinery and spare parts supply.

He said that the building is plain and simply constructed and is in good condition it does not appear to have any major defects. It is situated approximately 4 miles from Kingscourt, Co. Cavan and accessed via a minor public road.

Mr McMorrow outlined his calculation of the Net Annual Value of the subject premises as follows:

Floor area: 3,385 sq ft
(Excluding part used for domestic purposes - 341 sq. ft.)
N.A.V. Calculation: 3,835 sq. ft. @ £0.95* p.s.f. = £3,690
 N.A.V. = £3,600

* See Rental Comparison below

He said that there was very little rental comparisons available but he provided one as follows

Table 1
Rental Comparison

Property	Location	Tenure	Floor Area Sq. Ft.	Actual Rental	Actual Rent per sq.ft
A. Store	Rural (Monaghan)	Leasehold	1,932	£2,340	£1.21psf

In calculating the rateable valuation Mr McMorrow applied a fraction of rateable valuation to Net Annual Value of 0.5% He supported this fraction by four other comparisons each of which, he said demonstrates that the fraction of 0.5% is in accord with other recently revised hereditaments. He supplied three other comparisons which he said further demonstrates that the estimate of rental level and rateable valuation in this case is fair by comparison with other recently revised hereditaments. These three comparisons; rental comparison, fraction comparison and R.V. comparison according to Mr McMorrow show the subject premises to be fairly treated and therefore the rateable valuation to be reasonable.

With regard to points raised in the Notice of appeal, Mr McMorrow says:-

1. By comparison with other properties the construction standard of the subject property is adequately allowed for in the Net Annual Value calculation.
2. None of the comparisons supplied have significant storage yards whereas the subject premises has approximately 7,000 sq. ft. of yard in addition to the front parking area.
3. All the comparisons quoted are rural some even more remote than the subject.
4. An estimated rental of 95p per sq. ft. is a moderate figure and takes account of the lack of intense use and remote location.
5. An area of 341 sq ft is excluded from the calculations as it is used for domestic purposes.

A written submission was received on the 18th of January 1991, from Mr Peter Murtagh, Auctioneer & Valuer, Bailieborough, Co. Cavan on behalf of the appellant. He said that the premises are in a tertiary rural location about ten miles away from a primary route. He said that there is absolutely no possibility of any business from passing trade and that the business catchment area is confined and restricted.

Mr Murtagh said that the hinterland is not well populated nor noted as being a good agricultural area. Because of its isolation winter and general access can be difficult. Mr Murtagh said that the building is no more than a converted hayshed and lean-to. There are no

mechanical pits nor is there a mechanical hoist installed. Head room is not regular. He said that there are no heavy beams installed to facilitate hanging machinery. The electricity supply voltage is single phase. There is no showroom, no spray shop or no lubrication bay. He said that there is just a fitted workbench for holding tools inside. The covered area is used for minor repairs and for the assembly of machinery. Mr Murtagh said that the description "workshop" would seem more correct than "garage". Mr Murtagh said that the parking area to the front is dressed with limestone waste and is used as a display area for machinery. It is covered with hardcore to the side and rear.

Mr Murtagh said that turnover is neither substantial nor regular as business is seasonal.

Mr Murtagh said that there is a total floor area of C.3,760 sq. ft. Part of this is lost to storage for personal fuel (C.340 sq. ft.) and part to the storage of personal vehicles and personal goods (C.420 sq. ft.). The remaining space -C.3,000 sq. ft. - is used for workshop/office/parts and is more than adequate for the business that exists or could be generated from this location. He said that a sale of this building on its own would be "non-runner".

Mr Murtagh said that this property would have a very very low letting profile and it would be extremely difficult to find a tenant to offer a reasonable rent. He said that taking a rental of 75p per square foot and an available space of C.3,000 sq. ft. one would arrive at a Net Annual Value of £2,250.00. Matching this with the average R.V./N.A.V. fraction of 0.5% gives a figure of £11.25

SUMMARY:

He said that in his opinion a R.V. of £11.00 would be more appropriate to this property, given its situation, use and very limited potential.

ORAL HEARING:

The oral hearing took place in relation to the appeal at the Courthouse, Cavan in the county of Cavan on Tuesday 22nd day of January, 1991. Mr Mel Kilrane, Solicitor appeared for the appellant and Mr McMorrow appeared for the Respondent. The Tribunal heard the evidence of the appellant Mr Martin and that of his valuer, Mr Murtagh. The tribunal also heard the evidence of Mr McMorrow. The tribunal has been moved by the fact that the subject premises is very little more a standard agricultural shed complex without the addition of three phase electricity or without any pit or hoist capacity for under- vehicle working. The access to the workshop in the subject premises is poor. Mr Murtagh emphasised that the business

was highly dependent on the seasonal sale of grass, machinery and some slurry handling equipment. Mr Murtagh submitted that the decline in farm incomes due to the fall in the price in milk would have had an adverse effect on the appellant's business carried on in the subject premises. However, the tribunal is of the view that it is too early to reach a final conclusion as to how the current decline in farm incomes from 1990 onwards will affect businesses such as Mr Martins and does not take into consideration any factor relating to agricultural depression. The area is either disadvantaged or severely disadvantaged for headage and other agricultural grant purposes, and, the tribunal finds that this may in fact be helpful to sustaining a business such as that carried on in the subject premises owing to the subsidisation of farming in the area.

The appellant and his family and staff are to be congratulated on the manner in which they keep their premises as evidenced by the photographs of same. The tribunal heard evidence from Mr Murtagh that he had a premises two miles from Bailieborough of 4,000 sq. ft. plus one and a half acres of hardstand for rent in the region of £60.00 per week. Having regard to the foregoing and having regard to the analysis of the comparisons offered by Mr McMorrow the tribunal finds in all circumstances of the case that the valuation of the subject premises ought to be £16.00.